

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF SAN BERNARDINO COUNTY, CALIFORNIA  
AND RECORD OF ACTION**

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June 3, 2003

**FROM:**           **BILL POSTMUS**  
Supervisor, First District

**SUBJECT:**       **RESOLUTION SUPPORTING H.R. 380, THE PROPERTY TAX ENDOWMENT ACT OF 2003**

**RECOMMENDATION:** Adopt resolution supporting H.R. 380 (Radanovich) that would provide full funding for the Payment in Lieu of Taxes (PILT) program and to protect local jurisdictions against loss of property tax revenues when private lands are acquired by Federal land management agencies and for other purposes.

**BACKGROUND INFORMATION:** Payments in Lieu of Taxes is a Federal Payments Program to local governments that help offset the revenue loss due to the presence nontaxable federal lands within a local government jurisdiction. The federal government makes an annual payment to the county for PILT. However since San Bernardino County has a population of over 50,000 and already has in excess of 1,334,000 federal entitlement acres conversions of additional private lands were resources to fed ownership do not increase revenues to San Bernardino County.

Since the purchase of the Catellus lands by the Bureau of Land Management (BLM) in 1998 and 1999 and the purchases of ranches in the Mojave National Preserve, San Bernardino County has become increasingly concerned over loss of tax base as a result of these acquisitions and continued federal acquisitions of land and property in the desert and mountain areas of the county governed by the endangered species act mitigations.

H.R. 380 would require that the acquiring agency deposit funds with the local government at the time of the acquisition in an amount sufficient to yield a perpetual revenue stream equal to the property taxes currently levied upon those parcels.

Acquired lands would not become part of PILT entitlement acreages. Currently, PILT formulas only reflect acreages and do not reflect other values and improvements that may be part of assessed valuation. H.R. 380 would capture those amounts that now escape the PILT formula, due to a retroactive provision included in the Act, as well as capture the recent federal acquisitions in the desert, from which the county has lost over \$200,000 in annual tax collections.

On August 6, 2002, the Board of Supervisors passed resolution 2002-2445 supporting H.R. 5081, a bill introduced by Congressman Radanovich in the 107<sup>th</sup> Congress. H.R. 380 introduced January 27, 2003, in the 108<sup>th</sup> Congress is identical in intent to H.R. 5081 previously endorsed.

All counties with extensive federal lands must maintain services and access over many miles of remote territory. The loss of tax base to support those services (search and rescue, ambulance service, road and flood control maintenance, solid waste management) often does not decrease after purchase; with increased public use, the service needs may actually increase. H.R. 380 would supply a dependable funding source, under county management, to assure that revenues will always be present to maintain such services to the remove areas dominated by Federal lands within the county.

Co-sponsors of this legislation include: Rep. Jerry Lewis (California). Additional Co-sponsors are expected as Congressman Radanovich circulates his "Dear Colleague" letter and as the county's federal lobbyists work amongst other members of the western delegation in the House.

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**Likely Support:** Private property advocates and other counties in the Western United States that are similarly capped under the PILT formula.

**Likely Opposition:** Environmental organizations, and foundations and conservancies that support federal acquisitions of privately held property.

**FINANCIAL IMPACT:** Passage of this legislation would prove positive to the county because the county would not lose tax revenue. As federal lands and resources were acquired, federal purchases are likely to continue and land use plans, currently being drafted by BLM, contain additional purchase initiatives. If the legislation does not pass, the county will continue to have its tax base eroded by continuing Federal acquisitions within areas administered by the BLM, The Forest Service and the National Park Service.

**REVIEWED BY:** This item has been coordinated with Jim Wiltshire, Director of Legislative Affairs and Gerry Hillier, Federal Lands Consultant on May 21, 2003.

**SUPERVISORIALDISTRICTS:** First, Second, and Third

**PRESENTER:** Supervisor Bill Postmus, First District, 387-4830

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